

Abstract. *International assignments and their positive/negative effects on the employee and the organization have largely been covered by literature. At the same time, potential employees are attracted to become members of multinational organizations due to the implicit or explicit statement that international assignments are an option. But is it always the case? The present study focuses on one developing country and member of the EU (Romania) and aims at determining if Romanian employees are realistically eligible for international assignments in a foreseeable future from an organizational point of view (type of industry, level within the organization, type of organizational policy). We tested three hypotheses that will be the basis for further study.*

Keywords: assignment, develop, employee, international, Romania.

DEVELOPING HUMAN RESOURCES THROUGH INTERNATIONAL ASSIGNMENTS: A REALISTIC STRATEGY FOR ROMANIAN EMPLOYEES?

Ruxandra CIULU

*“Alexandru Ioan Cuza” University of Iași
11, Carol I Boulevard, Iasi, Romania
Email: ruxandra.ciulu@uaic.ro*

*Management & Marketing
Challenges for the Knowledge Society
(2011) Vol. 6, No. 4 pp. 655-662*

1. Introduction

International assignments (IA) have been largely developed by multinational companies (MNCs) during the past one hundred years, as a need to staff their international locations. Lately, small and medium-size enterprises have started using this type of assignments, at the same time reducing their duration – a trend that can be observed also in MNCs (Thomas, Lazarova and Inkson, 2005, p. 343). Romanian employees have been offered this type of opportunities only starting from 1990 and not even then, as companies needed a significant amount of time to train potential expatriates to be able to perform in an international environment. Therefore, Romanians are still fascinated by the ‘expatriate mirage’, which may offer opportunities for personal and professional development. The experience of spending time in a different country doing your job for a better pay salary, while enjoying (or not) the company of your family, together with the status provided by the international assignment and the implied expectation of receiving a better position with the organization upon return seem priceless for many Romanians. Given the changing patterns in evaluating human resources development (HRD) through international assignments, on one hand, and the limitations faced by employers, on the other hand, we could not help but wondering if Romanian employees could possibly be unrealistic about their real chances of becoming expatriate managers and, should they receive an international assignment, this would automatically help them promote to a higher position within the organization.

2. A world of HRD in a strategic human resources management universe

According to Wang & McLean (2007, p. 97), specialists in the field of human resources have not managed to reach consensus on a number of basic issues in the relationship between HRD and Human Resource Management (HRM). These issues include identity, central purpose, boundary, philosophical and theoretical connections. In time, several definitions of HRD have emerged, the one offered by Nadler being cited rather often. In this author’s opinion, HRD consists of “organized learning experiences provided by employers within a specific period of time to bring about the possibility of performance improvement and /or personal growth” (Nadler & Nadler, 1989, p. 6). Due to the expansion and large variety of development activities, this definition may have become obsolete, therefore in 2001 McLean offered a much more comprehensive one: “Human resource development is any process or activity that, either initially or over the long term, has the potential to develop adults’ work-based knowledge, expertise, productivity, and satisfaction, whether for personal or group/team gain, or for the benefit of an organization, community, nation or, ultimately, the whole of humanity” (McLean and McLean, p. 322). Analoui (2007, p. 164) links HRD with strategic human resources management (SHRM) in a natural way, considering that HRD provides policies and practices which support accomplishment

of organizational goals. Analoui states that HRD “*focuses on the provision of education, training, learning and development opportunities aimed at building and improving individual, team and organizational performance*” (Idem). Each of these definitions refers to at least one key word, which implies *improvement, growth, knowledge and performance*. Therefore, they support Garavan’s (2007, p. 11) idea that strategic human resource development (SHRD), as part of SHRM, supports the creation of firm-specific knowledge and skill when being in line with the strategic goals of the organization. Moving to the international arena, international HRD (also referred to as cross-national HRD, transnational HRD or global HRD), adds to the equation *cross-national relationships and greater mutual understanding* (Wang and McLean, 2007, p. 105), which were not encountered in other definitions. According to Wang and McLean, “*international HRD is aspirational rather than realized and serves as a challenge for continuous efforts at improvement*” (Idem).

More recently, HRD is supported by IT and has become ‘virtual’, as many other aspects of our lives. Usually implemented through intranets, virtual HRD involves knowledge systems, communication and virtual work (Bennett, 2009, p. 362), as well as career development opportunities, while preserving knowledge from one generation to the next (Bennett, 2009, p. 364). Still, in order to become ‘strategic’, virtual HRD must develop within the sociocultural context (Bennett, 2009, p. 372).

Even though it only includes ‘self’, we decided to approach self-development last, as it almost exclusively involves the individual, its driving force and, as leaders usually engage in such steps, its leadership abilities. In an unpublished study, Boyce et al. (2007, cited in Reichard and Johnson, 2011, p. 35) identified five categories of individual characteristics that should lead to self-development, these including general intelligence, achievement striving, mastery orientation, career growth and work orientation. Self-development is cost-effective, enhances the ability to solve problems quickly but, at the same time, in order to be successful as organizational strategy, it must be in line with practices within the organization (Reichard and Johnson, 2011, pp. 33-34).

3. HRD through international assignments

International assignments management is one of the key activities differentiating international HR management from HR management, in general. The HR department of a MNC engages in a variety of activities meant to help the expatriate adjust to the new environment and become efficient. Still, we must differentiate international assignments (business-oriented) from other forms of migration (looking for a job in another country, ‘work and travel’ and so on). According to Collings et al. (2011, p. 361), international assignments differ from three perspectives: the international assignment is supported by the organization; it is implied that the assignee will return to the home country after completing the assignment; the expatriate enjoys a relatively privileged position in the labor market. Just as important, the organizational policy (ethnocentric, polycentric, regiocentric or

geocentric) can facilitate international assignments for regiocentric and geocentric companies, while limiting or even eliminating opportunities for ethnocentric and polycentric companies, all seen from host-country point of view.

Supporting HRD, global talent management (GTM) is a concept that refers to *“the strategic integration of resourcing and development at the international level and involves the proactive identification, development and strategic deployment of high performing and high-potential strategic employees on a global scale”* (Collings and Scullion, 2007, p. 102). According to McDonnell et al. (2010, p. 150), GTM is more important for MNCs than for local companies for three reasons: the acknowledgement that internationally competent managers represent a key component of global business success; lately, it has been increasingly difficult to locate and retain suitable managerial talent to manage an organization’s international operations; and talent management is more complex in MNCs than in domestic firms. Global talent management has become an essential element of strategic human resource management in MNCs (Scullion, Collings and Caligiuri, 2010, p.106). Dickmann and Harris (2005, p. 400) come with a different approach on international assignments, a vision that somehow changes the pattern in the literature. They argue that individual career capital replies of three ways of knowing: *knowing how* career capabilities provide an individual with career-relevant skills and work-related knowledge; *knowing whom* career capabilities several types of work relations combined in a network, while *knowing why* career capabilities provide the individual with the appropriate energy and drive to pursue a desired career path. Even though all three ways seem helpful for career evolution within the organization, some mention that it may not always be the case.

Supporters of IA as a source of personal and professional development argue that individuals should seriously consider taking on IAs in order to build important global competencies (Vance, 2005, p. 375), as international work experience seems critical in the development of competence for success in the globalization era (Idem, p. 382). Thomas, Lazarova and Inkson (2005, p. 344) go further, arguing that there is a need to *“move beyond the consideration of global careers as involving a one-off corporate episode to include long-term individual agency.”*

On the other side, some may argue that, even though effective for the individual, IAs may not fully return the investment that the organization made for the employee. More often than not, expatriates do not limit their career ambitions to the boundaries of their current organization and are prepared to offer their improved career capital on the labor market, where they can obtain supplementary benefits based on the international experience (Collings et al., 2011, p. 368). The literature on expatriation fully covers the competencies needed for IAs, but it does not stress enough on the career impact of global assignments (Dickmann and Harris, 2005, p. 400). In this respect, it can be difficult for expatriate to quantify the value of the international assignment in their CV or further job applications, particularly as developmental benefits are often less tangible and harder to articulate than other skills or experiences. (Collings et al., 2011, p. 368). Going one step further, some support

the idea that the types of “*knowledge and competencies required of global leaders and other global career actors might be developed by means other than company sponsored overseas assignments*” (Thomas, Lazarova and Inkson, 2005, p. 342).

4. Current study, method and results

The main purpose of this study is to determine if Romanian employees are realistically eligible for IAs in a foreseeable future from an organizational point of view (e.g. organizational policy) and not by taking into account individual performance. Secondly, the research aims at determining if there is any type of company pattern (based mainly on type of industry or area of origin and less on type of policy, which is quite obvious) that dramatically influences the process of expatriation process. Furthermore, we decided to also include the type of policy in the test, even though some may say that results were predictable.

Hypothesis 1: The type of industry in which the MNC is involved directly impacts on the type of policy chosen by the MNC. That is, MNCs from an industry have a preference for one of the four types of policies (ethnocentric, polycentric, regiocentric and geocentric).

Hypothesis 2: The position currently occupied by the interviewed person directly impacts on the opportunities of international assignments.

Hypothesis 3: The type of policy used by the company directly impacts on the opportunities for international assignments. Due to the very small number of Romanian MNCs in the current sample (only three), they were regarded as ‘European’ companies and they were not included in a separate group.

Sample. There is a larger on-going study but, for this paper, a number of 98 employees from MNCs that have business in Romania were selected. All employees are of Romanian origin and their positions range from non-managerial positions to top management positions. Out of the 98 interviews conducted, 92 (93.9%) were considered valid as there were 6 persons who were afterwards determined of not being of Romanian origin (in terms of citizenship and of home country base, regardless of nationality within Romanian citizens). As we were not able to find the entire list of MNCs operating in Romania or the percentage of MNCs per industry type, the sample was randomly chosen. Semi-structured interviews were conducted during the months of March and April 2011, predominantly in the North-Eastern area of Romania. Even though this may seem like a geographic limitation, due to the general policies and means of communication at company level, opportunities for employees all over Romania can be considered equal.

The 92 employees in the sample work for 35 multinational companies (3 Romanian, 24 from other European countries and 8 from the US). In order to gather comparative data, 2 or 3 employees from each company were included in the study and at least one had a middle or top management position.

Based on their field of expertise and for research purposes, MNCs were grouped into six types of industries, as following: banking & insurance, food & beverage, pharmaceuticals, production, services and IT&C.

Results. Exploring the descriptive statistics, we found that there is not a clear correlation between the type of industry and the type of policy. By performing t-tests in SPSS 17.0, the first hypothesis did not test positive ($r = .12$, $p = .22$). Still, by analysing the sample, it is obvious that 71% of MNCs in the banking&insurance industry have an ethnocentric policy, which would lead us to the conclusion that the hypothesis is confirmed for this industry, but not for the other five. Also, this may be due to the fact that the sample of companies is still small and test results could be different for a larger sample. Taking everything into consideration, we support the idea that the hypothesis is partially confirmed.

While testing the second hypothesis, we obtained a significant negative correlation between the type of position within the organization and the IA opportunity ($r = -.43^{**}$, $p < 0.01$). That is, a non-managerial position offers limited opportunities for IA. Still, employees from the IT&C industry report having had or being prospects for IA, even though they have non-managerial positions. Therefore, we conclude that the second hypothesis is also partially confirmed.

Consistent with the literature, the type of policy and the IA appear to be significantly correlated ($t(6.80) = 2.57$, $p = .01$), while also being significant from statistical point of view ($r = -.25^{*}$, $p < 0.05$) (Table 1).

Table 1

Employee opportunity for IA based on type of organizational policy

	N	Mean
Yes	44	2.40
No	48	1.91

Therefore, companies with regiocentric and geocentric policies are the most likely ones to offer IA to their employees, even though there are non-managerial positions that have less opportunities to be offered IA. The third hypothesis is confirmed.

Due to the fact that, in our sample, not many employees have been offered opportunities for IA so far or, if they were, they only went to another country for a short period of time (usually, no more than two months), we were not able to determine if there is any connection between IA and promotions in MNC operating in Romania. For this reason, a hypothesis in this direction was not included.

5. Discussion, directions for future research and limitations

The main purpose of this study was to determine if Romanian employees are realistically eligible for IAs in a foreseeable future from an organizational point of view, taking into account the type of industry, position within the organization and type of organizational policy. As mentioned before, this research is part of a larger study, which will include a larger number of interviews and MNCs, as well as other

variables which may be taken into account when discussing opportunities for IA, such as: type of employee background, number of employees in the organization, number of countries in which the MNC is present, the organizational experience (number of years of experience for the organization) and others.

Also, during the study we encountered situations of companies declaring an ethnocentric approach, still they are in the process of moving from ethnocentric to polycentric and even regiocentric approach and employees already envision IA opportunities. At the same time, during the interviews, employees from polycentric and ethnocentric organizations expressed their intentions of becoming expatriates, should they be offered the possibility (which could drive the organization towards a more acceptable policy from the employee point of view). The latter ones were fully aware of the fact that, at least for the moment, this is not a possibility with their current employer. Provided that we include in the sample a larger number of MNCs of Romanian origin, as they will emerge from the country (PricewaterhouseCoopers, 2010, p.1), we will be able to test also the positive effect of Romanian MNCs with an ethnocentric approach on the career development of Romanian employees through IA.

At least for the moment, results are limited by a relatively small sample of employees and MNCs included in the study, as well as by a small number of variables that were tested. Even though the questions did not address sensitive topics, employees were sometimes reluctant to answer, which we would say that is normal for Romanian employees in general and for managers, in particular. At the same time, the main question for this study (“Would you say that you could be offered the opportunity of an IA on the short or medium term?”) implies the perception that the individual has on self and on the organization, a perception that cannot be supported by insight from the organization, especially if the subject has not been an expatriate before. Therefore, just like in international studies that questioned international managers (i.e. Dickman and Harris, 2005), we have no other choice but to evaluate and test perceptions.

The study can be continued on the medium and long term, in order to try to determine if IA opportunities truly appeared for the employees, the manner in which IA were managed by the company and if employees were promoted within the organization upon return. Also, in the case of employees leaving the organization (if they were not offered an IA or upon return from one), we can try to determine a connection between expectation and results, including the motivational effect.

References

- Analoui, F. (2007), *Strategic Human Resource Management*, Thomson Learning, London
- Bennett, E.E. (2009), “Virtual HRD: The Intersection of Knowledge Management, Culture, and Intranets”, *Advances in Developing Human Resources*, Vol. 11, No. 3, pp. 362-374
- Collings, D.G., Doherty, N., Luethy, M., Osborn, D. (2011), “Understanding and supporting the career implications of international assignments”, *Journal of Vocational Behavior*, Vol. 78, pp. 361-371

- Collings, D.G., Scullion, H. (2007), "Resourcing international assignees", in Brewster, C., Sparrow, P., Dickman, M. (eds.), *International human resource management: contemporary issues in Europe*, pp. 87-106, Palgrave Macmillan, Basingstoke
- Dickmann, M., Harris, H. (2005), "Developing career capital for global careers: The role of international assignments", *Journal of World Business*, Vol. 40, pp. 399-408
- Garavan, T.N. (2007), "A Strategic Perspective on Human Resource Development, Sage Publications", *Advances in Developing Human Resources*, Vol. 9, No. 1, pp. 11-30
- Holton, E.F. III, Yamkovenko, B. (2008), "Strategic Intellectual Capital Development: A Defining Paradigm for HRD?", Sage Publications, *Human Resource Development Review*, Vol. 7, No. 3, pp. 270-291
- McDonnell, A., Lamare, R., Gunnigle, P., Lavelle, J. (2010), "Developing tomorrow's leaders – Evidence of global talent management in multinational enterprises", *Journal of World Business*, Vol. 45, pp. 150-160
- McLean, G.N., McLean, L.D. (2001), "If we can't define HRD in one country, how can we define it in an international context?", *Human Resource Development International*, Vol. 4, No. 3, pp. 313-326
- Nadler, L., Nadler, Z. (1989), *Developing human resources*, 3rd edition, Jossey-Bass, San Francisco
- PricewaterhouseCoopers, "Almost 190 new multinational companies to emerge out of Romania in the next 15 years", http://www.pwc.com/ro/en/Press_Room/assets/EmergingMultinationals.pdf (retrieved on 20.05.2011)
- Reichard, R.J., Johnson, S.K. (2011), "Leader self-development as organizational strategy", *The Leadership Quarterly*, Vol. 22, pp. 33-42
- Scullion, H., Collings, D.G., Caligiuri, P. (2010), Introduction, *Journal of World Business*, Vol. 45, pp. 105-108
- Thomas, D.C., Lazarova, M.B., Inkson, K. (2005), "Global careers: New phenomenon or new perspectives?", *Journal of World Business*, Vol. 40, pp. 340-347
- Vance, C.M. (2005), "The personal quest for building global competence: A taxonomy of self-initiating career path strategies for gaining business experience abroad", *Journal of World Business*, Vol. 40, pp. 374-385
- Wang, X., McLean, G.N. (2007), "The Dilemma of Defining International Human Resource Development", Sage Publications, *Human Resource Development Review*, Vol. 6, No. 1, pp. 96-108